GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1908
ANSWERED ON:28.11.2016
India-Japan CEPA
Galla Shri Jayadev

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether some clauses of India-Japan Comprehensive Economic Partnership Agreement (CEPA) are yet to be implemented;
(b) if so, the details of each such clause and the reasons for not implementing the same since 2001 when agreement was entered into;
(c) whether there is any resistance from Japan in this regard; and
(d) if so, the details thereof and the manner in which the Government is planning to go ahead in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b): The implementation of the India-Japan CEPA,which came into effect from 1st August 2011, is an ongoing process as the Schedule of Concessions committed under the CEPA is progressively implemented. There is a Joint Committee and several Sub-committees constituted under the CEPA for implementation of the provisions. However, some of the issues relating to the Mutual Recognition Agreements in Services have not been concluded within the time frame envisaged and are taken up in the bilateral fora for early conclusion. The list of such issues and progress thereon is annexed.

(c) &(d): While no specific instance of resistance from Japan on implementation of various clauses in CEPA has been reported, the bilateral mechanism under the CEPA provides a platform for discussion and resolution of the implementation issues in the Joint Committee and Sub-committees on an ongoing basis.
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Annexure
India-Japan CEPA
List of items yet to be implemented
S.No. Article/
clause of CEPA Description Reasons for non-implementation
1 Article 55 (1) The Parties shall, through the Sub-Committee, discuss the feasibility of MRAs in such sectors as electrical products, telecommunications terminal equipment and radio equipment and other sectors as may be mutually agreed by the Parties. In elaborating MRAs, the Parties shall confirm the economic benefits of such arrangements and, where necessary, the equivalence of the technical regulations of both Parties.

(2) The Sub-Committee shall meet within three months from the date of entry into force of this Agreement, in order to discuss the feasibility of MRAs in sectors referred to in paragraph 1, and shall endeavour to arrive at a conclusion about such feasibility within six months. The Parties shall endeavour to reach a conclusion of MRAs under paragraph 1 within a reasonable period of time, normally not exceeding three years,from the date of such conclusion about the feasibility.
Though the Sub-Committee on Technical Regulations, Standards and
Conformity Assessment Procedures and SPS Measures had met and discussed the feasibility of MRAs, no conclusion was reached.
2 Article 64 (5) The Parties shall jointly discuss disciplines on domestic regulation including measures relating to qualification requirements and procedures, technical standards and licensing requirements developed pursuant to paragraph 4 of Article VI of the GATS, with a view to incorporating such disciplines into this Chapter and thereby ensuring that such domestic regulation does not constitute unnecessary barriers to trade in services.
These issues relate to services sector. The institutional mechanisms specific for services available under CEPA include Sub-committee on Trade in Services and Sub-committee on Movement of Natural Persons. A video conference of the former Sub-committee was held. Thereafter services issues were discussed in the subsequent Joint Committee meetings. Further, the issue of nursing was discussed by officials of Department of Commerce with the Japanese side in 2015. A delegation from Japan comprising representatives of Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare and Japan Economic Revitalisation Bureau, Cabinet Secretariat met Department of Commerce officials in January, 2016 to discuss services related issues. Domestically, Department of Commerce has advocated popularisation of Japanese language in India and facilitating movement of natural persons to Japan. In this regard the Department also conducts stakeholder consultations as well.
4 Article 65 (3) Upon request being made in writing by a Party to the other Party, the Parties shall encourage that their respective professional bodies in any regulated service sector negotiate and conclude, within 12 months, any arrangement for mutual recognition of education or experience obtained, requirements met, or licences or certifications granted in that service sector, with a view to the achievement of early outcomes.

5 Article 66 (2) Each Party shall endeavour to prepare, forward to the other Party and make
public a list providing all existing measures, within the scope of this Chapter, at the central governmental level, and governmental level

of states and Union territories in the case of India and prefectural governmental level in the case of Japan, which are inconsistent with Articles 59 and/or 60, whether or not these measures are included in its Schedule of Specific Commitments in Annex 6. The list shall include the following elements and shall be reviewed annually and revised as necessary:

(a) sector and sub-sector or matter;
(b) type of inconsistency (i.e. Market Access and/or National Treatment);
(c) legal source or authority of the measure; and
(d) succinct description of the measure.

Note: The list under this paragraph will be made solely for the purposes of transparency, and shall not be construed to affect any rights and obligations of a Party under this Chapter. The Parties understand that the list as required in this paragraph shall be prepared if possible within five years after the entry into force of this Agreement.

6 Article 71 (1) The Parties shall review commitments on trade in services with the first review within three years from the date of entry into force of this Agreement, with the aim of improving the overall commitments undertaken by the Parties under this Agreement.

7 Annex 7, Section 7 B of Part 2
(referred to in Article 82)
Japan shall enter into negotiations with India under a Sub-Committee to be established under Article 14 regarding the acceptance of Indian qualified nurses and certified care workers by Japan, with a view to reaching a conclusion of the negotiations within one year if possible, but not later than two years, after the entry into force of this Agreement.